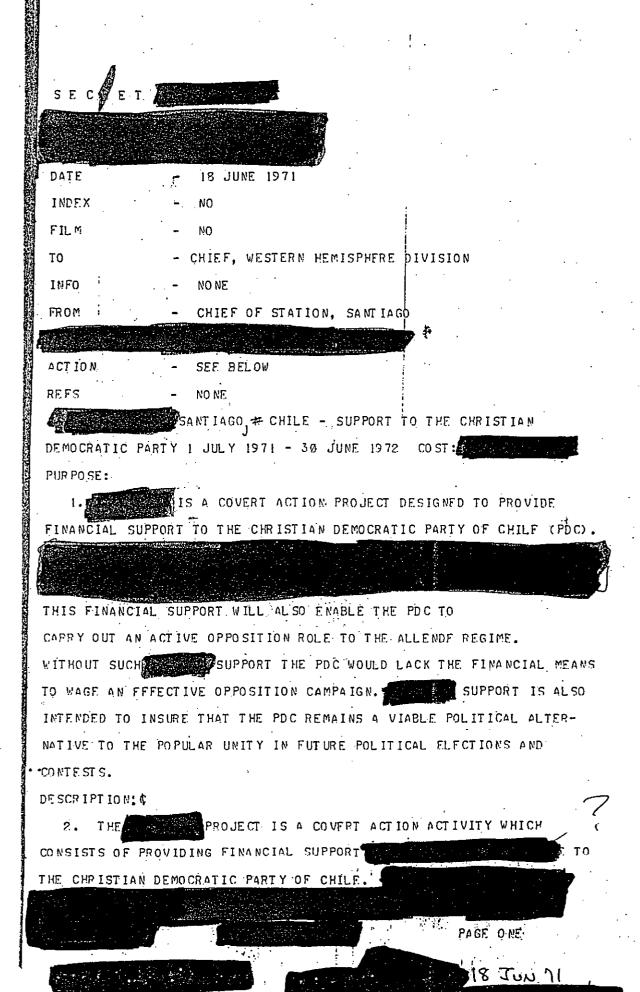
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Document dated 18 JUNE 1971

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Declassified and Approved for Release July 2000



BACKGROUND:

SUPPORT TO THE PDC RESULTED FROM 5. THE NEED FOR THE FLECTORAL VICTORY OF THE POPULAR UNITY GOVERNMENT AND PAGE TVO

PAGE THREF.

THE INSTALLATION OF A COALITION HEAVILY DOMINATED BY THE

SOCIALIST PARTY AND THE COMMUNIST PARTY OF CHILF. FOLLOWING THE

ALLENDE INAUGURATION, THE PDC FOUND ITSELF NOT ONLY

REMOVED FROM GOVERNMENT, BUT ALSO CUT OFF FROM ITS TRADITIONAL

SOURCES OF FINANCIAL SUPPORT.

WITH THE KNOWLEDGE AND CONCURRENCE OF THE AMBASSADOR, A FORMAL REQUEST WAS MADE FOR SUPPORT TO THE PDC FOR THE APRIL MUNICIPAL ELECTION CAMPAIGN.

7. FOLLOWING THIS MEETING, A REQUEST FOR APPROVAL OF

SUPPORT TO THE PDC WAS PREPARED FOR CONSIDERATION.

THE ORIGINAL REQUEST FOR SUPPORT TO THE PDC AMOUNTED TO

THIS WAS LATER FOLLOWED BY A SUPPLEMENTARY REQUEST FOR APPROVAL

FROM IN THE AMOUNT OF BRINGING TO A TOTAL

OF WHICH PASSED TO THE PDC

DURING THE WEEKS PRECEEDING THE 4 APRIL ELECTIONS.

8. THE PDC EMERGED FROM THE MUNICIPAL ELECTIONS WITH 25.6 PER CENT OF THE TOTAL VOTES, REMAINING THE COUNTRY'S LARGEST INDIVIDUAL POLITICAL PARTY AND RECONFIRMING ITS ROLE AS LEADING OPPOSITION FORCE TO THE ALLENDE REGIME. AS A RESULT OF THIS STRONG ELECTORAL SHOWING, MOST PDC LEADERS CONCLUDED THAT THE PARTY SHOULD MAINTAIN ITSELF IN A CLEARLY IDENTIFIABLE OPPOSITION POSTURE TO THE U.P. GOVERNMENT. MOST PDC LEADERS ALSO AGREE THAT THE PARTY IS PRESENTLY A MORE UNITED FORCE THAN PRIOR TO THE ELECTIONS.

S E C T

PAGE THREE

PDC IN THE APRIL ELECTIONS AS WELL AS THE OVER AALL ELECTIONAL STANDOFF BETWEEN THE U.P M COALITION AND OPPOSITION POLITICAL FORCES, THE PDC HAS TURNED ITS ATTENTION TO LONGER-RANGE POLITICAL PROGRAM NEEDS. IN ORDER TO MAINTAIN THE PARTY AS A VIABLE AND AGGRESSIVE POLITICAL FORCE, THE PDC WILL NEED A WIDE RANGE OF ACTION PROGRAMS AND SUPPORT MECHANISMS. THE PROGRAM

WOULD PERMIT THE PDC TO ENGAGE
IN A WIDE RANGE OF POLITICAL AND ORGANIZATIONAL ACTIVITIES AMONG
MAJOR SECTORS OF CHILEAN SOCIETY.

OPERATIONAL PROGRAM:

10.

7H.

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PARTIES TO SUPPORT THEMSELVES AND OBTAIN SOURCES OF FUNDING.

AS THIS OCCURS, THE GOVERNMENT WILL BE WARY FOR COVERT SOURCES

OF FUNDS FOR THE PDC AND WILL TAKE GREATER EFFORTS TO EXPOSE

OR TERMINATE SUCH FINANCING. THE STATION IS AWARE OF THIS

PROBLEM AND WILL CONTINUALLY REVIEW THE SECURITY FACTORS OF THIS

PROJECT AS THE GOVERNMENT INCREASES ITS HARASSMENT OF OPPOSITION

POLITICAL GROUPS. IN THE EVENT OF CIVIL DISTURBANCE OR UPHEAVAL,

STATION FEELS IT COULD SECURELY MAINTAIN CONTACT WITH

EST IMATED EFFECT TVENESS:

CHE THAT

FINANCIAL SUPPORT. ENABLED THE PDC TO

CONDUCT A VIGOROUS MUNICIPAL ELECTION CAMPAIGN, AND IN PART

CONTRIBUTED TO THE PARTY'S SUCCESSFUL OUTCOME IN THAT ELECTION,

IS A FACT THAT APPEARS SELF-EVIDENT. FINANCIAL SUPPORT

ALSO ENABLED THE PDC TO ACQUIRE

WHILE

SUPPORT HAS BEEN

CONSIDERED EFFECTIVE IN SHORT-RUN POLITICAL TERMS, IT WILL NOW

BE UP TO THE PDC TO DEMONSTRATE IT CAN MAINTAIN AN EFFECTIVE

OPPOSITION ROLE OVER A SUSTAINED POLITICAL PERIOD.

COSTS:

APPROXIMATELY DURING THE FY 72 PERIOD. IN FY 71 A TOTAL

OF \$1,182,000 WAS APPROVED AND EXPENDED FOR SUPPORT AND

ACTIVITIES.

-COSTS

CO-ST S

FY 71

FY 72

1 JULY 70 - 30 JUNE 71

1 JULY 71

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